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National Intelligence Daily Cable for Friday, 30 December 1977.

The NID Cable is for the purpose of informing senior US officials.

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## OPEC: Meeting to Raise Prices

25X1	//Venezuelan President Perez has called for a special meeting of the Organization of Petroleum Exporting Countries to raise prices before the cartel's next scheduled ministerial session in June 1978. Several countries will probably support the move.//
25X1	//Perez is concerned that his party's chances in the national election next December will suffer if additional oil revenue needed to finance development projects is not forthcoming. By organizing a special meeting to raise oil prices he also hopes to compensate for failing to capitalize fully on being host for the Caracas meeting. In addition to an immediate price increase, Perez is advocating adoption of a formula that will automatically raise crude oil prices in the future.//
25X1	//Extraordinary OPEC ministerial meetings are not unusual. Several have been held since 1973; the last was in April 1976 in Geneva to discuss oil prices. Support for a meeting will now most likely come from those countries that argued for a price rise at Caracas: Iraq, Libya, Algeria, and Nigeria. Saudi Arabia and Iran are satisfied with the results at Caracas, where they successfully engineered a price freeze with minimal friction among cartel members.//
!5X1	//Saudi Arabia and Iran have publicly advocated a freeze for all of 1978, although the Shah is probably less committed to this position than the Saudis. They both will look to the market as an indicator of the intensity of pressure
	they can expect within OPEC for a price rise.

## PALESTINE: Criticize US Policy

The Palestine Liberation Organization's official news agency has reacted sharply to President Carter's remarks about the inadvisability of forming a Palestinian state on the West Bank. A news release yesterday termed the President's remarks "an insult to the entire Arab nation," and warned that the Palestinians reserve the right to use "all forms of revolutionary struggle" to work against US policy.

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25X1	Other recent Palestinian statements have criticized attempts to impose a so-called US-Israeli settlement plan on the Arabs and have similarly raised the threat of further military or terrorist operations if the PLO is ignored in any future settlement. PLO officials are particularly concerned at this time because they view President Carter's public lack of enthusiasm for a West Bank state as paralleling the Israeli negotiating position.	
25X1	In addition, the Palestinians continue to fear that Egyptian President Sadat will ignore the PLO in his efforts to arrange a comprehensive settlement with the Israelis.	
25X1	Although they are distressed by recent developments, moderate Palestinian leaders probably would not opt for renewed international terrorism, which they have avoided for a number of years, unless an Arab-Israeli settlement that excluded the PLO appeared more certain than it does now. Terrorist operations inside Israel, including acts against those Palestinians who collaborate with the Israelis, are likely to continue to be condoned.	25X1   25X1

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## BRIEFS

,	Syria
25X1	officers is in Moscow discussing Soviet arms aid. Included in the discussions are Syrian Army Chief of Staff Hikmat Shihabi and Soviet Defense Minister Ustinov as well as other officials normally involved in arms transfers.//
25X1 25X1	//Syria may be planning to buy Soviet military equipment in addition to the \$500 million worth of equipment it ordered in mid-1977.
	Iran
25X1	//The bomb that exploded Wednesday night at the Iranian-American Society Building in Tehran could portend further terrorist acts during President Carter's brief visit, which begins on Saturday. SAVAK, Iran's National Security and Intelligence Organization, has warned the US Embassy that additional incidents are likely.//
25X1	//A man identifying himself as an Islamic Marxist phoned a news agency in Tehran to claim credit for the blast and warned that more will follow to protest the Carter visit. Presumably, he is a member of the People's Strugglers, an organization that accepts the necessity of assassinating Americans in Iran in pursuance of its goal of removing the Shah. The organization apparently has been responsible for the slaying of six US citizens in recent years.//
25X1	The People's Strugglers oppose the Iranian Government as anti-Islamic and as dominated by the secularism of the West. They see the US as the principal supporter of that government and have sought to embarrass the Shah by occasional attacks on US installations or members of the 30,000-member American community in Iran.

	Rhodesia	
25X1	//The talks between Rhodesian Prime Minister Smith and black nationalist leaders Muzorewa and Sithole yesterday made little progress, according to press accounts. Smith in particular seemed disappointed by the lack of progress, stating that "we've had better days than today."//	٤
25X1	//The issue of white representation in a future legislature apparently was the bottleneck in the discussions. If this is in fact the case, an earlier indication that a breakthrough had been made on the question may have been erroneous.//	
25X1	//Nevertheless, the talks, which are now ad- journed until 3 January, have not been scuttled. All participants undoubtedly see advantages to be gained in continuing the dia-	257
	logue.	25X1

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